



**State Oil and Gas Council  
Lewis and Clark State Office Building  
La Charrette Conference Room  
1101 Riverside Drive, Jefferson City, Mo.  
April 17, 2013**

**Open Session Minutes**

**MEMBERS PRESENT:** Mr. John Madras, Clean Water Commission and Chairman; Dr. Shari Dunn-Norman, Missouri University of Science and Technology and Vice Chairwoman; Mr. David Bleakley, Missouri Independent Oil and Gas Association; Mr. Bill Ransdall, Missouri Department of Economic Development; Mr. William Luebbert, Public Member; Mr. Joe Gillman, Division of Geology and Land Survey; Ms. Jennifer Heintz, Missouri Public Service Commission as proxy for Mr. Robert Kenney.

**MEMBERS ABSENT:** None.

**LEGAL COUNSEL:** Mr. Don Willoh, Assistant Attorney General

**STAFF PRESENT:** Ms. Carey Bridges, Geological Survey Program Director; Mr. Larry Pierce, Geologic Resources Section Chief; Ms. Connie Edwards, Geological Survey Program Executive and State Oil and Gas Council Secretary; Ms. Hylan Beydler, DGLS Information Officer; Mr. Steven Kratky, Missouri Department of Natural Resources' General Counsel

**GUESTS PRESENT:** Bruce Taylor, Mike Cerelli, Ronald Taberg, Blue Tip Energy; John Ammerman, Beth Wilson, Colt Energy; Kenton Hupp, IGWT Inc.; James Flaherty, Anderson & Byrd LLP; Joe Taglieri, Running Foxes Petroleum Inc.; Paul Pettit, Mark Phillips, Zero CO2 LLC; Joan Levick, Laclede Gas Company; Ming Xu, Missouri Department of Natural Resources' Division of Energy

With a quorum being present, the open session was brought to order by Mr. Madras at 10:02 a.m. Mr. Madras introduced State Oil and Gas Council members and asked for guest introductions.

**MINUTES OF THE JANUARY 23, 2013, MEETING**

Dr. Dunn-Norman offered a motion to accept the minutes of the meeting held on January 23, 2013. Mr. Luebbert seconded the motion. Mr. Ransdall and Ms. Heintz abstained. Motion carried.

## **MINUTES OF THE FEBRUARY 6, 2013, TELECONFERENCE MEETING**

Mr. Gillman offered a motion to accept the minutes of the meeting held on February 6, 2013. Dr. Dunn-Norman seconded the motion. Mr. Ransdall and Ms. Heintz abstained. Motion carried.

### **2012 OIL AND GAS REPORT**

Mr. Pierce gave a presentation on the 2012 Oil and Gas production. The Council, staff and guests made discussion on report statistics.

### **WARRIOR OPERATING COMPANY INC. STATUS OF WELL SHUT-IN EXTENSION**

Mr. Pierce gave an overview on these shut-in wells and the current status of the issue. It has been determined these wells are in active status; therefore, staff requested the recommendation of the extension of the Mechanical Integrity Testing (MIT) to be withdrawn. No Council action was necessary.

### **KANSAS RESOURCE EXPLORATION AND DEVELOPMENT'S WALTON LEASE AND BENJAMIN LEASE SPACING (Pool Boundaries)**

Mr. Pierce gave an overview of the issue pertaining to well spacing issues in Kansas Resource Exploration and Development's Walton Lease and Benjamin Lease Clark-Miller pool boundaries. Data was presented to support staff's proposal to alter the pool boundary to include both leases on a 2 ½ acre grid system. Staff recommended the Council establish an Oil and Gas Council Order that delineates the provisional boundary of Clark-Miller oil pool utilizing the edge of the 2 ½ acre grid Public Land Survey System, created by the Missouri Land Survey Program, and establish a one acre well spacing unit within the pool while maintaining a 165 foot set-back from the property lines. Mr. Bleakley made a motion to accept staff's recommendation. Dr. Dunn-Norman seconded the motion. Ms. Heintz abstained. Motion carried.

### **IGWT INC., REQUESTING AN EXTENSION TO PLUG**

Mr. Kenton Hupp, president of IGWT, presented to the Council a request for extension on several inactive wells. Mr. Hupp stated IGWT is in the process of negotiating with other companies to perform additional testing on these wells; therefore, an extension to plug until January 2014 is needed. Mr. Hupp also requested the permission to perform short-term steam injection testing in one of the producing wells. After discussion, Mr. Ransom made a motion to table this item until our next meeting. Mr. Luebbert seconded the motion. Ms. Heintz abstained. Motion carried.

## **ZERO-CO2 LLC., REQUESTING BLANKET IDA LEASE PERMIT TO BE RE-APPROVED UNDER ZERO-CO2 LLC. COMPANY NAME**

Mr. Mark Phillips, with Zero-CO2, presented a request for their current Ida Lease permit to be re-approved under the Zero-CO2 company name. The permit currently is listed under Zero-CO2 and Aztec Drilling and Operating. Discussion was also made on the proposed injection pressures listed on the permit application. After discussion, Dr. Dunn-Norman moved that the Council approve Zero-CO2's application for 600 psi blanket injection pressure. Mr. Ransdall seconded the motion. Ms. Heintz abstained. Motion carried.

## **RUNNING FOXES PETROLEUM, REQUESTING APPROVAL OF NINE INJECTION WELL PERMIT APPLICATIONS SUBMITTED**

Mr. Taglieri, with Running Foxes Petroleum, presented a request for approval of nine injection well permit applications submitted in September 2012. Mr. Taglieri gave an overview of the applications and discussion was made on the proposed injection pressures. After discussion, Dr. Dunn-Norman stated she was comfortable with the injection pressures presented and encouraged the Department of Natural Resources to approve these as quickly as can and stop the discussion on injection pressure. Mr. Bleakley agreed. Mr. Madras asked staff to advise the Council where we are in this process by May 1, 2013.

## **STATE OIL AND GAS COUNCIL ADVISORY COMMITTEE**

Mr. David Bleakley, Committee Chairman, gave the Council an overview of the committee's discussion and concerns including injection pressures, delays in permitting process, and updates to the current rules and regulations.

## **OTHER BUSINESS**

Mr. Madras asked if anyone had anything they would like to bring before the Council. Mr. Madras acknowledged that Dr. Shari Dunn-Norman has been named a member of the Hydraulic Fracturing Advisory Panel on the U.S. Environmental Protection Agency's Independence Science Advisory Board.

## **SCHEDULING AND LOCATION OF NEXT MEETING IN JULY 2013**

After discussion, the Council tentatively scheduled the next meeting to be held on July 17, 2013, at Rolla, Mo.

## **ROLL CALL VOTE FOR NEXT CLOSED SESSION AND ADJOURNMENT OF MEETING**

Mr. Ransdall made a motion, then withdrew his motion to go into closed session. Mr. Joe Gillman moved the State Oil and Gas Council meet in closed session before the next regular council meeting for the purpose of discussing matters protected from disclosure by law as provided for in Section 610.021, RSMo., including but not limited to: legal actions, pending

litigation, and attorney-client privileged matters with the council attorney. Mr. Ransdall seconded the motion. A roll call vote was taken as follows: Mr. Bleakley, yes; Dr. Dunn-Norman, yes; Mr. Gillman, yes; Ms. Heintz, yes; Mr. Ransdall, yes; Mr. Madras, yes. Motion carried. Mr. Bleakley made a motion to adjourn. Mr. Ransdall seconded the motion. Motion carried.

The meeting was adjourned at 12:44 p.m.